

CITIES AND TOWNS BULLETIN

AND UNIFORM COMPLIANCE GUIDELINES ISSUED BY STATE BOARD OF ACCOUNTS

JUNE 2006

2006 LAWS AFFECTING CITIES AND TOWNS

The following is a listing of laws enacted by the General Assembly that are related to cities, towns and municipally owned utilities. This is not intended to be an expression of a legal opinion. If you have any questions regarding legal interpretation, please consult your city or town attorney. We have listed the laws in public law order sequence and the references are to the Indiana Code.

PUBLIC LAW 1 – HOUSE ENROLLED ACT 1040 – EFFECTIVE MARCH 24, 2006

TECHNICAL CORRECTIONS – Makes corrections to several sections of the Indiana Code.

PUBLIC LAW 4 – SENATE ENROLLED ACT 232 – EFFECTIVE JULY 1, 2006

JURY DUTY – Amends IC 33-28-4-8 and IC 33-28-6-17 – Adds IC 33-28-4-8.3, IC 33-28-5-24.3, and IC 33-28-6-25.3 - Eliminates exemptions from jury duty. Allows a person called to jury duty to defer the person's initial appearance one time upon showing a hardship, extreme inconvenience, or necessity. States that employers may not subject employees called to jury duty to any adverse employment action. Provides that employees called to jury service may not be required to use annual vacation or sick leave. States that an employer is not required to provide vacation and sick leave to employees not otherwise entitled to those benefits because of jury duty.

PUBLIC LAW 7 – SENATE ENROLLED ACT 277 – EFFECTIVE JULY 1, 2006

CITY OF GARY – CIVIC CENTER BOARD OF MANAGERS – Amends IC 36-10-11-33 – Allows the Gary City Council to provide for the payment of a salary or per diem to a member of the civic center manager's board who does not hold another lucrative office.

PUBLIC LAW 15 – SENATE ENROLLED ACT 146 – EFFECTIVE JULY 1, 2006

RESPONSIBLE PARTY TRANSFER LAW – Amends IC 13-25-3-2, IC 13-25-3-8 and IC 13-25-3-12 – Adds IC 13-25-3-7.5 – Repeals IC 13-25-3-7 – Requires the Department of Environmental Management to prescribe the form required on a transfer of property requiring environmental disclosure.

PUBLIC LAW 17 – SENATE ENROLLED ACT 154 – EFFECTIVE MARCH 13, 2006

EXTRA HEAVY DUTY HIGHWAYS – Amends IC 9-20-5-4 – Adds State Road 39 from Interstate 80 to U.S. 20 to the list of roads that are designated as extra heavy duty highways.

PUBLIC LAW 20– SENATE ENROLLED ACT 191 – EFFECTIVE JULY 1, 2006

POLICE DEPARTMENTS – CRIMINAL HISTORY – PHOTOGRAGHS - Amends IC 10-13-3 Requires police departments that are required to report an arrest to the State Central Depository for Criminal History to transmit a photograph of the person arrested. Allows for such photographs to be obtained in a limited criminal history, if a photograph is available.

PUBLIC LAW 21 – SENATE ENROLLED ACT 201 – EFFECTIVE JULY 1, 2006

MOBILE HOME COMMUNITY ORDINANCES – Amends IC 25-23.7-8-5 – Allows an existing location in a mobile home community that is valid and conforming or nonconforming under a local ordinance to be modified or expanded.

PUBLIC LAW 22 - SENATE ENROLLED ACT 205 – EFFECTIVE MARCH 13, 2006

ELECTRONIC MAIL ACCOUNT ADDRESSES – Amends IC 5-14-33 – Provides that a public agency: (1) is not required to create or provide lists of electronic mail account addresses unless required by statute; (2) is not required to allow a person to inspect and make memoranda abstracts from a list of electronic mail account addresses; (3) may not disclose certain lists (including electronic mail account addresses) to commercial entities for commercial purposes; and (4) may not disclose certain lists (including electronic mail account addresses) to any individual or entity for political purposes.

PUBLIC LAW 27 – HOUSE ENROLLED ACT 1279 – EFFECTIVE VARIOUS DATES

TELECOMMUNICATIONS – Amends IC 4-23-7.1-40.5 – Amends and adds to IC 8-1 Establishes a State accessible electronic information services fund. Provides for the continuation of cable franchise agreements which are currently in existence. Further provides that the Indiana Utility Regulatory Commission (IURC) is the sole franchising authority for the provision of video service after June 30, 2006. Makes significant changes to the regulation of telecommunication services.

PUBLIC LAW 28 – SENATE ENROLLED ACT 56 – EFFECTIVE JULY 1, 2006

PENSION RELIEF – Amends IC 5-10.3-11-4.7 – Extends the expiration date for additional distributions from the State Pension Relief fund that will go to pay at least fifty percent (50%) of the pension liability of cities and towns in the 1925 and 1937 pension plans from January 1, 2008 to January 1, 2009.

PUBLIC LAW 29 – SENATE ENROLLED ACT 57 – EFFECTIVE JULY 1, 2006

SOCIAL SECURITY NUMBER DISCLOSURE – STATE AGENCIES – Amends IC 4-1-10-5 - Allows for the disclosure of a Social Security number by State agencies for the purpose of administration of:

- (1) a pension fund administered by the board of trustees of the public employees' retirement fund;
- (2) the Indiana state teachers' retirement fund;
- (3) a deferred compensation plan or defined contribution plan established under IC 5-10-1.1; or
- (4) a pension plan established by the state police department under IC 10-12.

PUBLIC LAW 35 – SENATE ENROLLED ACT 94 – EFFECTIVE JULY 1, 2006

LAKE MANAGEMENT WORK GROUP – NONCODE – Establishes a work group to study problems and issues associated with freshwater lakes.

PUBLIC LAW 36 – SENATE ENROLLED ACT 133 – EFFECTIVE JULY 1, 2006

OVERSIZED TRACTOR – SEMITRAILER PERMITS – Amends IC 9-20-6-2 – Requires Department of Transportation permits for oversized tractor – semitrailers to authorize operation of the vehicle from one half hour before sunrise to one half hour after sunset.

PUBLIC LAW 42 – HOUSE ENROLLED ACT 1107 – EFFECTIVE MARCH 14, 2006

EMERGENCY WARNING SYSTEMS – BARRETT LAW – Amends IC 36-9-36-2, IC 36-6-37-11 and IC 36-9-38-2 – Allows emergency warning systems to be funded with Barrett Law assessments.

PUBLIC LAW 43 – HOUSE ENROLLED ACT 1234 – Effective JULY 1, 2006

SPECIAL DEATH BENEFIT FUND – Amends IC 5-10-10-4 and IC 5-10-10-4.5 – Adds special police deputies and public use airport firefighters to the list of officers who are eligible for a benefit from the fund.

PUBLIC LAW 44 – HOUSE ENROLLED ACT 1249 – EFFECTIVE JULY 1, 2006

COUNTY DRUG FREE COMMUNITY FUND – Amends IC 5-2-6 and IC 5-2-11 – Adds IC 5-2-11-0.5, IC 5-2-11-1.6, IC 5-2-11-1.8, and IC 5-23-11-1.9 – Requires counties to have a comprehensive drug free communities plan approved by the Commission for a Drug Free Indiana before any distribution of the fund can be made.

PUBLIC LAW 47 – HOUSE ENROLLED ACT 1008 - EFFECTIVE VARIOUS DATES

TRANSPORTATION – PUBLIC - PRIVATE AGREEMENTS – Amends and adds to sections of Titles 4, 5, 8, 9, 22 and 36 – Allows for the lease of the Indiana Toll Road to a private entity. Provides for a portion of such revenue to be distributed to cities and towns.

LOCAL MAJOR MOVES CONSTRUCTION FUND – Adds IC 8-14-16 – Requires cities and towns in counties traversed by the Indiana Toll Road to set up a local major moves construction fund for deposit of a special distribution from the County Auditor on or before September 15, 2006. Money in the fund may be expended only for the following purposes:

- (1) Construction of highways, roads and bridges.
- (2) In a county that is a member of the northwest Indiana regional development authority, or in a city or town located in such a county, any purpose for which the regional development authority may make expenditures under IC 36-7.5.
- (3) Providing funding for economic development projects (as defined in IC 6-3.5-7-13.1(c) (1) or IC 6-3.5-7-13.1(c) (2) (A) through IC 6-3.5-7-13.1(c) (2) (K).
- (4) Matching federal grants for a purpose described in IC 8-14-16-5.
- (5) Providing funding for interlocal agreements under IC 36-1-7 for a purpose described in IC 8-14-16-5.
- (6) Providing the city's contribution to the northwest Indiana regional development authority, in the case of a city described in IC 36-7.5-2-3(e).

Such fund must be appropriated as part of the annual budget for the calendar year in accordance with IC 6-1.1-17.

SPECIAL DISTRIBUTIONS TO ALL CITIES AND TOWNS – Adds IC 8-14-14-14

Provides for two special distributions of \$75 million to cities and towns on or before October 15, 2006 and October 15, 2007 to be receipted to each city or town's Motor Vehicle Highway fund using the same formula as other MVH distributions are calculated.

PUBLIC LAW 49 – SENATE ENROLLED ACT 35 – EFFECTIVE MARCH 15, 2006

BUILDING PERMITS – Adds IC 36-7-9-1109 – States that all of the rules, ordinances, standards and regulations that are in effect when a person is granted a permit must remain in effect for that particular permit for three years even though new rules, ordinances, standards or regulations are subsequently adopted. States that this law does not apply to development to which the permit relates that is not completed within seven years.

PUBLIC LAW 51 – SENATE ENROLLED ACT 55 – EFFECTIVE JANUARY 1 AND JULY 1, 2006

DEFERRED RETIREMENT OPTION PLAN (DROP) – Amends IC 36-5-8.5-14 and IC 36-8-10-12.2 – Adds IC 36-8-8.5-1.5 – Repeals IC 36-8-8.5-1 – Eliminates the expiration date for the DROP Program. Ties the expiration date to the expiration of distributions to fund at least 50% of the pension liability of the 1925 and 1937 plans. See Public Law 28.

PUBLIC LAW 52 – SENATE ENROLLED ACT 71 – EFFECTIVE JANUARY 1 AND JULY 1, 2006
DRAINAGE ASSESSMENTS – Amends IC 36-9-27-86 – States that political subdivisions are not exempt from paying county drainage assessments.

STORMWATER DISTRICTS – MARION COUNTY

Adds IC 8-1.5-5-32 – Sets out procedures whereby excluded cities and towns may withdraw from a district. See Public Law 175.

PUBLIC LAW 60 - SENATE ENROLLED ACT 84 – EFFECTIVE JULY 1, 2006
REENTRY COURTS – Adds IC 33-23-14 – Allows city courts with felony or misdemeanor jurisdiction to establish a reentry court to deal with persons released from the custody of the State Department of Corrections. Allows for a court to establish a reentry court fee by court rule to be deposited in the city user fee fund and used for the reentry court program.

PUBLIC LAW 62 – SENATE ENROLLED ACT 206 – EFFECTIVE JULY 1, 2006
DISABILITY – 1925, 1937, 1953 AND 1977 POLICE AND FIRE PENSION PLANS – Adds IC 5-10-15 – Amends IC 36-8-6-8, IC 36-8-7-11, IC 36-8-7-12.1, IC 36-8-7.5-13, IC 36-8-8-12, IC 36-8-8-12.5 and IC 36-8-8-13.3 – Provides that police, fire, and emergency medical service providers who incur certain cancer or heart or lung diseases while actively employed have incurred such disabilities while in the line of duty.

PUBLIC LAW 67– SENATE ENROLLED ACT 355 – EFFECTIVE JULY 1, 2006
PROPERTY TAXES – APPEALS – LATE PAYMENT PENALTIES – Amends IC 6-1.1-1-8, IC 6-1.1-21-2, IC 6-1.1-22-3, IC 6-1.1-22-5, IC 6-1.1-22-9, IC 6-1.1-22-9.5, IC 6-1.1-22.5-6, IC 6-1.1-37-9, IC 6-1.1-37-10, IC 14-33-10-3, IC 36-9-36-37, IC 36-9-36-55 and IC 36-9-37-19. Adds IC 6-1.1-37-10.7 - Allows a city or town to appeal for an excessive levy because of a shortfall until March of the ensuing budget year. Changes the method of calculating penalties on delinquent property taxes. Allows for penalties to be waived where there is a death of a taxpayer or immediate family member in the week preceding the installment due date.

PUBLIC LAW 80 – HOUSE ENROLLED ACT 1156 – EFFECTIVE MARCH 17 AND JULY 1, 2006
COURT ADMINISTRATION FEE – Amends IC 33-37-5-27 – Raises the fee from two to three dollars on July 1, 2006.

EXCESSIVE TAX LEVY – ESTABLISHING A NEW COURT – Amends IC 6-1.1-18.5-13 – Allows a city or town to increase its aggregate levy by the amount of the city or town's share of costs of operating the court.

JURY DUTY – See Public Law 4 for similar provisions.

PUBLIC LAW 82 – HOUSE ENROLLED ACT 1232 – EFFECTIVE JULY 1, 2006
CHILD CURFEW LAW – Amends IC 31-37-3-3.5 – Allows for a child to be out past curfew if the child is participating in an activity undertaken at the prior written direction of the child's parent, guardian, or custodian.

PUBLIC LAW 95 – SENATE ENROLLED ACT 157 – EFFECTIVE MARCH 20 AND JULY 1, 2006
CONSERVANCY DISTRICT BOARD - LAKE COUNTY – Repeals IC 14-33-5-0.5 and IC 14-33-5.5 – Eliminates the separate law for governing the Conservancy District Board of Directors for Lake County. Places Lake County's Board of Directors under IC 14-33-5.

PUBLIC LAW 97 – SENATE ENROLLED ACT 192 – EFFECTIVE JULY 1, 2006

BAIL BONDS – Amends IC 35-33-8-3.2 – Permits a court to require a defendant to execute a combination of bail bonds and cash or securities to satisfy the court's bonding requirements. If the court requires the defendant to deposit cash or cash and another form of security as bail, the court may require the defendant and each person who makes the deposit on behalf of the defendant to execute an agreement that allows the court to retain all or a part of the cash to pay the publicly paid costs of representation and fines, costs, fees, and restitution that the court may order the defendant to pay if the defendant is convicted.

PUBLIC LAW 100 – SENATE ENROLLED ACT 234 – EFFECTIVE JULY 1, 2006

ENVIRONMENT – Amends IC 4-21.5-2-5, IC 4-22-2-28.1, IC 13-11-2, IC 13-14-9 and IC 13-27-7-1 – Adds IC 13-27-8 – Makes several changes to the laws dealing with the Indiana Department of Environmental Management's (IDEM) technical assistance programs and other programs. Allows IDEM to establish environmental performance based programs.

PUBLIC LAW 101 – SENATE ENROLLED ACT 247 – EFFECTIVE JULY 1, 2006

VOLUNTEER FIRE DEPARTMENT – PERSONNEL RECORDS - Adds IC 36-8-12-18 – Allows a volunteer fire department to declare personnel files and files of applicants as confidential.

PUBLIC LAW 104 – SENATE ENROLLED ACT 283 – EFFECTIVE JULY 1, 2006

EMERGENCY TELEPHONE NOTIFICATION SYSTEM – Adds IC 36-8-21 – Allows city and town councils to appropriate money for the establishment of an emergency telephone notification system.

EMERGENCY TELEPHONE SYSTEM FEES – Amends IC 36-8-16-14 - Permits such fees to be used for an emergency notification system.

PUBLIC LAW 112 – SENATE ENROLLED ACT 369 – EFFECTIVE JULY 1, 2006

WATER SHORTAGE TASK FORCE – Adds IC 14-8-2-279.5 and IC 14-25-14 – Provides that the Department of Natural Resources will appoint a ten member water shortage task force board to develop and implement an updated water shortage plan.

PUBLIC LAW 113 – HOUSE ENROLLED ACT 1017 – EFFECTIVE JULY 1, 2006

APPRAISAL OF PROPERTY TO BE SOLD – Amends IC 8-1.5-2-4, IC 10-18-2-6, IC 10-18-4-13, IC 16-22-7, IC 36-9-13-29, IC 36-9-38-25 and IC 36-10-10-18 – Removes the requirement that all appraisers be freeholders. Requires appraisers appointed to be one disinterested freeholder and two disinterested licensed appraisers for several types of sales or leases of property by cities and towns. Requires one licensed appraiser to live within fifty miles of the property being appraised.

PUBLIC LAW 114 – HOUSE ENROLLED ACT 1124 – EFFECTIVE MARCH 20, 2006

RAINY DAY FUND LOANS TO QUALIFIED TAXING UNITS – Adds IC 6-1.1-21.9 – Allows the State Board of Finance to make loans to taxing units who experience a property tax shortfall due to a manufacturer of microelectronics filing bankruptcy.

PUBLIC LAW 115 – HOUSE ENROLLED ACT 1368 – EFFECTIVE JULY 1, 2006

PUBLIC EMPLOYEES AND TEACHERS RETIREMENT FUNDS – Adds IC 5-10.2-5-40 and IC 5-10.2-5-41 – Provides for a 2 percent cost of living adjustment for all members beginning January 1, 2007 and a thirteenth check in 2006.

PUBLIC LAW 124 – SENATE ENROLLED ACT 382 – EFFECTIVE APRIL 1, 2006

AIRPORT DEVELOPMENT ZONES – Amends IC 8-22-3.5 – Adds IC 8-22-3.5-9.5 – Makes several changes to the development zone laws for the airport in Vanderburgh County. Authorizes the establishment of a development zone in Delaware County.

PUBLIC LAW 134 – HOUSE ENROLLED ACT 1307 – EFFECTIVE MARCH 22 AND JULY 1, 2006

WORKER'S COMPENSATION – Amends and adds to several sections of IC 22-3 – Creates a schedule of attorney's fees for worker's compensation and occupational disease cases. Make increases in certain benefits.

PUBLIC LAW 136 – HOUSE ENROLLED ACT 1420 – EFFECTIVE JULY 1, 2006

EMPLOYEE TOBACCO USE – INCENTIVES TO REDUCE – Amends IC 22-5-4-1 – Allows an employer to implement financial incentives that are intended to reduce tobacco use and related health benefits provided by the employer.

PUBLIC LAW 137 – HOUSE ENROLLED ACT 1380 – EFFECTIVE JULY 1, 2006

LOCAL VENTURE CAPITAL FUND – Amends IC 6-3.5-7-13.1 – Adds IC 6-3.5-7-13.5 and IC 6-3.5-7-13.6 – Allows cities and towns that receive CREDIT taxes to establish a local venture capital fund to be funded with CREDIT taxes and proceeds from public or private grants. Money in the fund may be used to make loans or grants to persons for the purposes of: (1) promoting significant employment opportunities for the residents of the city or town, (2) attracting a major new business enterprise to a city or town, or (3) to develop, retain or expand a significant business. A separate governing board is to be established by the fiscal body of the city or town establishing the fund. Allows for two or more counties or municipalities to create a regional venture capital fund governed by a regional board established by home rule ordinance.

PUBLIC LAW 143 – SENATE ENROLLED ACT 83 – EFFECTIVE JULY 1, 2006

TASER, ELECTRONIC STUN WEAPONS AND OTHER SIMILAR DEVICES – Amends IC 35-41-1-8 – States that certain temporary incapacitating weapons are not to be considered deadly weapons if they are used by law enforcement officers who have been trained in the use of the devices and used while engaged in law enforcement duties.

PUBLIC LAW 144 – SENATE ENROLLED ACT 87 – EFFECTIVE MARCH 24, 2006

LIEUTENANT GOVERNOR DUTIES – Adds IC 4-4-2.4 – Transfers the duties over energy policy, the center for coal technology research, and the recycling and energy development board to the Lieutenant Governor.

PUBLIC LAW 154 – SENATE ENROLLED ACT 260 – EFFECTIVE VARIOUS DATES

PROPERTY TAX DEDUCTIONS – Amends IC 6-1.1-12 – Extends the deadline for filing for certain tax deductions from May 10 to June 11.

LEVY EXCESS FUND – Amends IC 6-1.1-18.5-17 – Excludes delinquent property taxes from the amount which is used to compute the amount to be placed in the levy excess fund.

MAXIMUM LEVY – UNUSED LEVY CAPACITY – Amends IC 6-1.1-18.5-1 – Revises the formula for recapturing unused levy capacity. Allows for a fifty percent recapture.

PUBLIC LAW 159 – SENATE ENROLLED ACT 345 – EFFECTIVE JULY 1, 2006 AND JANUARY 1, 2007

PROPERTY TAX REPLACEMENT CREDITS AND HOMESTEAD CREDITS – Amends IC 6-1.1-21-10 – Eliminates the payment delay of May distributions to cities and towns.

PUBLIC LAW 160 – SENATE ENROLLED ACT 359 – EFFECTIVE JULY 1, 2006

ONLINE REVERSE AUCTIONS – Repeals IC 5-22-7.5-8 – Allows for any construction equipment to be purchased using an online reverse auction.

PUBLIC LAW 162 – HOUSE ENROLLED ACT 1001 – EFFECTIVE VARIOUS DATES

HOMESTEAD CREDITS – Amends IC 6-1.14-12-37 – Raises the homestead credit to \$45,000 for taxes payable in 2007.

PROPERTY TAX CIRCUIT BREAKER – Amends and adds to sections of IC 6-1.1-20.6 –

Provides for a credit to taxpayers if their net property tax exceeds 2% of the property's gross assessed value for 2006 pay 2007. Makes such program mandatory for residential property in 2008 and for all property in 2010.

CREDIT – SUPPLEMENTAL TAX – Amends IC 6-3.5-7 – Extends the date a county may adopt up to .25% in additional CREDIT taxes to offset the shift from inventory to residential taxes.

PETITION – REMONSTRANCE PROCESS – Amends IC 6-1.1-20-10 – Changes the laws dealing with the use of employees to promote a position on a building project.

TAXATION – Makes several other changes regarding budgets and assessments.

PUBLIC LAW 163 – HOUSE ENROLLED ACT 1010 – EFFECTIVE MARCH 24, 2006

EMINENT DOMAIN – Amends and adds to IC 32-24 – Changes the procedures for acquiring property through eminent domain. Requires cities and towns to proceed to acquire a property by use of eminent domain within two years after submitting a written offer to the owner.

Requires cities and towns to adapt such properties to the purpose for which it was acquired within six years. Requires library boards using eminent domain to obtain approval from a city or town legislative body if the library district is located entirely within a city or town before the library can use eminent domain.

PUBLIC LAW 165 – HOUSE ENROLLED ACT 1016 – EFFECTIVE MARCH 24, 2006

ALCOHOLIC BEVERAGES – SALE AT CITY GOLF COURSES – Amends IC 7.1-3-1-25 – Permits a city-owned golf course to obtain a permit to sell alcohol.

PUBLIC LAW 168 – HOUSE ENROLLED ACT 1076 – EFFECTIVE JULY 1, 2006

UTILITY EFFICIENCY PROGRAMS – GUARANTEED SAVINGS CONTRACTS – Amends IC 20-26-5-4, IC 36-1-12-1 and IC 36-1-12.5 – Adds IC 36-1-12.5-0.6 – Adds water and wastewater utilities to the list of entities which can enter into utility efficiency programs and guaranteed savings contracts that may be used to reduce consumption and usage costs.

PUBLIC LAW 169 – HOUSE ENROLLED ACT 1102 – EFFECTIVE MARCH 24 AND JULY 1, 2006

PUBLIC NOTICE ADVERTISING – QUALIFIED NEWSPAPER – Amends IC 5-3-1-0.4 – Makes changes to the laws defining a newspaper. Allows a newspaper with fifty percent of the paid circulation for the largest newspaper located in the county that has circulated for twelve months or a newspaper with an average daily paid circulation of one thousand five hundred to qualify as a newspaper which can receive public notice advertising.

PUBLIC LAW 169 – HOUSE ENROLLED ACT 1102 – EFFECTIVE MARCH 24 AND JULY 1, 2006
(Continued)

PUBLIC NOTICE ADVERTISING – ERROR BY COUNTY AUDITOR – Amends IC 5-3-1-2.3 States that if a county auditor publishes a notice concerning a tax rate, tax levy or budget of a city or town and the notice contains an error or omission and the county auditor is responsible for the error or omission, the Department of Local Government Finance (DLGF) may correct such error at any time. The county auditor must publish, at the county's expense, a notice containing the correct tax rate, tax levy or budget as proposed by the city or town.

CLAIMS – NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION (NIRPC) – Amends IC 5-11-10-1 and IC 5-11-10-1.6 – Adds NIRPC to the list of governmental units whose claims do not have to contain the claimant's signature.

100R FORMS – Amends IC 5-11-13-1 – Requires the business address of each officer or employee who is listed on the form.

MEAL EXPENSE ADVANCES – Amends IC 5-11-10-1.6 – Permits cities and towns to make meal expense advances to a city or town employee who will be traveling on official city or town business if the city or town fiscal body has adopted an ordinance allowing the advance payment. The ordinance must specify the maximum amount that may be paid in advance and specify the required invoices and other documentation that must be submitted by the city or town employee. The ordinance must provide for reimbursement from the wages of the city or town employee if the employee does not submit the required invoices and documentation.

STATE CALLED MEETINGS – TRAVEL EXPENSES – Amends IC 5-11-14-1 – States that a claim for reimbursement of travel expenses incurred while attending a state called meeting may not be denied by the body responsible for the approval of claims if the claim complies with IC 5-11-10-1.6 and IC 5-11-14-1.

BUDGETS – ALL MUNICIPALITIES – Amends IC 6-1.1-17-5 – Changes the final date that all cities and towns must meet to fix the budget, tax rate and tax levy to September 30.

REVISIONS IN TAX LEVY OR RATE – NOTICE FROM DLGF – Amends IC 6-1.1-17-16 – Allows a city or town two weeks to provide written response to the DLGF on any revisions reduction or increase the DLGF has requested.

SPECIAL ASSESSMENT LIENS – Adds IC 6-1.1-22-13.5 – States that all special assessments levied against a tract of land by a city or town are liens which continue for ten years from May 10 of the year in which special assessments first become due.

SPEED LIMITS – URBAN STREETS – Amends IC 9-21-5-6 – Requires a city or town to perform an engineering and traffic investigation before a determination may be made to change a speed limit under IC 9-21-6-6 or before the speed limit within an urban district may be decreased to less than twenty-five (25) miles per hour. However, an engineering and traffic study is not required if the city or town determines that the proper maximum speed is twenty-five miles per hour.

ORDINANCE VIOLATIONS BUREAUS – Amends IC 33-36-2-3 – Increases the amount of a fine which may be accepted in an ordinance violations bureau from \$100 to \$250.

ECONOMIC DEVELOPMENT PROJECTS – Adds IC 36-1-7-11.5 – Provides that an interlocal agreement may be entered into for certain economic development projects.

PUBLIC LAW 169 – HOUSE ENROLLED ACT 1102 – EFFECTIVE MARCH 24 AND JULY 1, 2006
(Continued)

RAINY DAY FUND – TRANSFERS TO – Amends IC 36-1-8-5 – Allows transfers to be made at any time during the year.

PUBLIC WORKS – BID THRESHOLDS – Amends IC 36-1-12-4 and IC 36-1-12-4.7 – Raises the bid threshold from \$25,000 to \$50,000 for all third class cities and all towns. Requires a city or town to solicit at least three quotes when the cost of the project is less than \$50,000 for third class cities and all towns. The bid threshold for second class cities remains at \$75,000.

TOWN WITH POPULATION LESS THAN 10,000 THAT BECOMES A CITY – Amends IC 36-4-6-4 – Changes the law dealing with legislative districts in towns that become cities with a population of less than 10,000.

LEGISLATIVE BODY MEETINGS – Amends IC 36-4-6-7 and IC 36-4-6-8 – Eliminates the requirement for legislative bodies in third class cities to meet the first Monday in January at 7:30 P.M. after an election and also eliminates the requirement for second and third class cities to meet on the first Monday in each succeeding January.

SALARY ORDINANCES – CITIES – Amends IC 36-4-7-3 – Requires all cities to adopt a salary ordinance before October 1 each year. Allows city appointive officers' and employees' salaries to be increased or decreased during the year.

BUDGETS – SECOND AND THIRD CLASS CITIES – Amends IC 36-4-7-11 – States that if the city legislative body fails to pass a budget before October 1, the most recent annual appropriations and tax levy are continued to the ensuing budget year.

ENFORCEMENT OF BUILDING STANDARDS – Amends IC 36-7-9 – Makes several changes to the unsafe building laws. Raises the penalties which can be imposed for certain violations from \$1,000 to \$5,000.

REDEVELOPMENT COMMISSION PROPERTY – Adds IC 36-7-14-22.5, 22.6 and 22.7 and IC 36-7-15-15.5, 15.6 and 15.7 – Makes several changes to the laws dealing with disposal of redevelopment commission property.

CITY POLICE AND FIRE SALARIES – Amends IC 36-8-3-3 – Requires such salaries to be set not later than September 30 of each year for the ensuing budget year.

REGIONAL TRANSPORTATION AUTHORITIES – Amends IC 36-9-3 – Changes the law dealing with board membership.

LEASE OF SOLID WASTE DISPOSAL FACILITIES – Amends IC 36-9-30-26 – Requires ten days' notice of the date upon which the lease will be executed.

ALTERNATIVE ASSESSMENT FINANCING FOR SEWAGE WORKS – Adds IC 36-9-39.1
Allows city and town councils to establish a sewer improvement and extension fund by ordinance and to impose assessments and levy taxes to fund construction of sewer projects.

PUBLIC LAW 171 – HOUSE ENROLLED ACT 1114 – EFFECTIVE JANUARY 1 AND JULY 1, 2006
COURTS – BANK/CREDIT CARDS – Amends IC 33-37-6-2 – Requires the clerk of the court to collect certain charges, if there are any vendor transaction charges or discount fees that are billed to the clerk or charged to the clerk's account, from persons using bank cards or credit cards. The clerk may contract with a payment processing company, which may collect a transaction fee from the person using the bank or credit cards. The clerk shall collect and deposit in the appropriate fund an amount not less than the amount the clerk would collect and deposit if the clerk received payment by a means other than a bank card or credit card.

RECORDING DOCUMENTS – STATEMENT REQUIRED – EFFECTIVE JULY 1, 2006
Amends IC 36-2-11-15 – Requires all instruments that are recorded to contain the following statement: "I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document unless required by law (name)."

PUBLIC LAW 174 – HOUSE ENROLLED ACT 1158 – EFFECTIVE JULY 1, 2006
ACCIDENT REPORTS – Amends IC 9-29-11-1 – Requires all law enforcement agencies to charge a fee for providing accident reports that is fixed by ordinance in an amount not less than five dollars.

SMALL CLAIMS GARNISHEE SERVICE FEE – Amends IC 33-37-4-6 – States that for each garnishee or garnishee defendant in excess of three, the clerk shall collect a small claims garnishee service fee of \$10 for each garnishee or garnishee defendant in excess of three.

For any party adding a garnishee or a garnishee defendant, the clerk shall collect a small claim garnishee service fee of \$10. However, the clerk may not collect for the first three garnishees named in the action.

A small claims service fee of \$10 shall be collected for each additional defendant added that is not a garnishee defendant.

CIVIL FILINGS – GARNISHEE SERVICE FEE – Amends IC 33-37-5-28 – States that the clerk shall collect the following:

- (1) From the party filing the civil action, a service fee of ten dollars (\$10) for each additional defendant that is not a garnishee defendant named other than the first named defendant.
- (2) From any party adding a defendant that is not a garnishee defendant, a service fee of ten dollars (\$10) for each defendant that is not a garnishee defendant added in the civil action.
- (3) From a party that has named more than three (3) garnishees or garnishee defendants, a garnishee service fee of ten dollars (\$10) for each garnishee or garnishee defendant in excess of three (3).
- (4) From a party adding a garnishee or garnishee defendant, a garnishee service fee of ten dollars (\$10) for each garnishee or garnishee defendant added to the action. However, a clerk may not collect a garnishee service fee for the first three (3) garnishees or garnishee defendants named in the action.

All small claims garnishee service fees and garnishee service fees for civil filings shall be deposited in the city's or town's general fund.

DNA SAMPLE PROCESSING FEE – Amends IC 33-37-5-26.2 – Raises the fee from one to two dollars effective July 1, 2006.

PUBLIC LAW 175 – HOUSE ENROLLED ACT 1212 – EFFECTIVE MARCH 24, 2006

STORM WATER DISTRICT – MARION COUNTY – Adds IC 8-1.5-5-32 – Allows excluded cities and towns in Marion County to withdraw from the storm water district in Marion County.

PUBLIC LAW 181 – HOUSE ENROLLED ACT 1261 – EFFECTIVE JULY 1, 2006

COMMUNITY DEVELOPMENT PROGRAMS – Adds IC 4-4-33 – Repeals IC 12-14-10, IC 12-14-11 and IC 12-14-12 – Requires the lieutenant governor to administer certain programs including Community Services Block Grants, home energy assistance programs, weather programs, food and nutrition programs and emergency shelter programs.

PUBLIC LAW 182 – HOUSE ENROLLED ACT 1267 – EFFECTIVE JUNE 1, 2006

CHILD EMPLOYMENT CERTIFICATES – Amends and adds to IC 20-33-3 – Allows a child to hold more than one employment certificate at a time.

PUBLIC LAW 184 – HOUSE ENROLLED ACT 1327 – EFFECTIVE VARIOUS DATES

TAXATION – Makes several amendments and additions to IC 6-3.5 – Extends the termination date for the Nashville food and beverage tax from January 11, 2007, to January 1, 2012. Changes the deadline for initiating projects for the Martinsville food and beverage tax from December 31, 2010 to December 31, 2015.

PUBLIC LAW 186 – HOUSE ENROLLED ACT 1362 – EFFECTIVE MARCH 24, 2006

MERGER OF GOVERNMENT – Adds IC 36-1.5 – Provides procedures for the reorganization of two or more governments. Such reorganization process can either be started by the governments wanting to merge or through a petition process.

PUBLIC LAW 187 – HOUSE ENROLLED ACT 1099 – EFFECTIVE MARCH 27, 2006

FIREWORKS – Amends and adds to IC 22-11-14 – Allows for persons to purchase and use certain fireworks on their own property or on property where the person has permission to use the fireworks. Sets the time permitted for using fireworks. Establishes annual registration fees from persons selling fireworks.

PUBLIC LAW 190 – HOUSE ENROLLED ACT 1176 – EFFECTIVE JULY 1, 2006

HANDGUN LICENSES – Amends IC 35-47-2-3 – Requires the law enforcement agency which accepts an application for handgun license to collect the following application fees:

- (1) From a person applying for a four (4) year handgun license, a ten dollar (\$10) application fee, five dollars (\$5) of which shall be refunded if the license is not issued.
- (2) From a person applying for a lifetime handgun license who does not currently possess a valid Indiana handgun license, a fifty dollar (\$50) application fee, thirty dollars (\$30) of which shall be refunded if the license is not issued.
- (3) From a person applying for a lifetime handgun license who currently possesses a valid Indiana handgun license, a forty dollar (\$40) application fee, thirty dollars (\$30) of which shall be refunded if the license is not issued.

Such fees are to be deposited in the law enforcement continuing education fund.

DUTIES OF SECRETARY OF POLICE PENSION FUNDS

IC 36-8-6-3 sets out the duties and bond responsibilities of the secretary of the 1925 police pension fund.

"The secretary shall:

- (1) keep a true account of the proceedings of the local board and of the police department of the municipality when acting upon matters relating to the 1925 fund;
- (2) keep a correct statement of the accounts of each member with the fund;
- (3) collect and turn over to the treasurer of the local board all money belonging to the fund;
- (4) give the local board a monthly account of the secretary's acts and services as secretary; and
- (5) turn over to his the secretary's successor all books and papers pertaining to the office.

The secretary shall, in the manner prescribed by IC 5-4-1, execute a bond conditioned upon the faithful discharge of the secretary's duties.

The secretary and treasurer shall make complete and accurate reports of their trusts to the local board on the first Monday in February of each year, copies of which shall be filed with the municipal clerk. The books of the secretary and treasurer must be open at all times to examination by members of the local board.

Each member of the police department shall turn over to the secretary of the local board, within thirty (30) days after receiving it, all money and securities belonging to the 1925 fund that come into the secretary's hands."

IC 36-8-6-3(a) states the municipal fiscal officer is the treasurer.

EXPENDITURES OF UTILITY FUNDS

Expense paid from utility funds should be directly related to the operation of the municipally owned utility and not related to the operation of a city or town.

Surplus utility funds can be transferred to the city or town general fund from a utility cash reserve fund pursuant to the provisions of IC 8-1.5-3-11 and used for any governmental purpose after appropriation in the regular legal manner, which requires both advertising to the taxpayers and approval of the Department of Local Government Finance.

CONTRIBUTIONS, DONATIONS, GIFTS

Following is a brief list of procedures to be followed by city and town officials in receiving and accounting for monetary contributions, donations, or gifts received by the municipality. (Since the term "donation" in this instance is synonymous to "contribution" and "gift" that term will be used.)

1. Unrestricted donations are defined as those to which the donor has not attached terms, conditions, or purposes.
2. Restricted donations are defined as those to which the donor has attached terms, conditions, or purposes.
3. The governing body of the unit has the option and responsibility to either accept or reject, in writing, any proposed donation.
4. If the donation is a restricted donation, the board must agree, in writing, to the terms, conditions, or purposes attached to the proposed donation.
5. Restricted donations can only be accepted for purposes within the scope of general statutory authority.
6. Income or revenues in the form of tax distributions, tax receipts, fees, rentals, contractual payments, etc., are not to be considered donations.
7. Donations which are accepted must be handled in one of the two following methods:
 - A. Unrestricted donations shall be receipted into the applicable operating fund of the unit (i.e. city or town operating (general) fund; cemetery operating fund, park and recreation operating fund, airport operating fund, etc.). Expenditure of such donated revenue from the operating fund shall be made only after an appropriation has been provided for the purpose of the expenditure. Claims must be filed and approved in the regular legal manner.
 - B. A restricted donation shall be placed into a separate fund after such fund is established by the legislative body of the unit. Any appropriate descriptive name may be given the donation fund. The donation can be expended only for the purpose and under the terms and conditions agreed to on accepting the donation.

Pursuant to Attorney General Official Opinion No. 68 of 1961, no further appropriation is required for expenditure of a restricted donation for the designated purpose. Even though no further appropriation is required, claims must be filed and approved in the regular legal manner before disbursements can be made from the fund.
8. If the volume of restricted donations justifies it, a "control" fund may be established for all restricted donations. Separate, individual accounts would then be established to account for each restricted donation or each type of restricted donation. The total activities of the separate accounts -- receipts disbursements, balances -- could be reflected on the control fund.

CONTRIBUTIONS, DONATIONS, GIFTS – (Continued)

9. Income from investments of restricted donations should be receipted into the same fund in which the principal of the donation has been receipted, provided it is to be used for the same purpose as the principal. However, if under the terms of the trust, the principal must be held in trust in perpetuity and only the income used by the governmental unit, there should be two funds established. One fund should be designated as "trust interest." In this situation, expenditures would only be permitted from the Trust Interest (Income) Fund".
10. The municipality's fiscal officer should be the custodian of the unit's funds and securities.

MUNICIPAL ELECTION EXPENSES – ALL CITIES AND TOWNS 3,500 AND OVER

The expense of city and large town primaries and elections are paid by the county with each city and large town conducting a primary or election being billed for its share of the expenses. Each city or large town should budget as one item, the local amount of such expenses under "Other Services and Charges" in the budget for the election year for the total estimated amount to be paid to the county. The county auditor or clerk of the circuit court can supply information as to the amount to be included for primary and election expenses. IC 3-5-3-8 and IC 3-5-3-9 provide the procedure for the county to allocate primary and election costs to all cities and those towns with populations of 3,500 and over.

MUNICIPAL ELECTION EXPENSES – TOWNS UNDER 3,500

The expenses of a town primary and election in a town with less than 3,500 population are to be paid directly by the town, unless the town has passed an ordinance to have the county conduct its primary election under IC 3-8-5-2 or regular election under IC 3-10-7-4. It is recommended that the total amount of such expenses be budgeted as one item under "Other Services and Charges" in the General Fund (IC 3-10-7-16 and IC 3-10-7-17).

The following are some Indiana Code sections of interest for towns under 3,500 populations:

- IC 3-8-5 - Nomination of Candidates by Convention
- IC 3-8-6 - Nomination by Petition
- IC 3-10-7-7 - Town Elections Boards, Establishment, Members
- IC 3-10-7-4 - Conduct of Elections
- IC 3-10-7-16 - Employees
- IC 3-10-7-17 - Purchase of Materials, Supplies, Equipment
- IC 3-10-7-20 - Compensation of Members
- IC 3-10-7-21 - Powers and Duties

The Town Attorney and the State Election Board should be consulted for guidance on any questions related to town elections.

MUNICIPAL ELECTION EXPENSES – TOWNS UNDER 500

IC 3-10-7-5.5 provides that the county election board shall conduct the municipal election unless the town council establishes a town election board to conduct the election.